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March 17, 2005

To: Supervisor Gloria Molina, Chair
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Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

WASHINGTON, D.C. UPDATE

FEDERAL FISCAL YEAR (FFY) 2006 BUDGET RESOLUTION

Today, the Senate adopted, 52 to 48, an amendment by Senators Smith (R-OR) and Bingaman (D-NM), which restores \$15 billion in health funding and strikes reconciliation instructions that the Senate Finance Committee cut mandatory (entitlement) spending by \$15 billion over five years. This amendment to the Federal Fiscal Year (FFY) 2006 budget resolution (S. Con. Res. 18) also provides \$1.5 million for a new bipartisan commission on Medicaid reform, which would be created under S. 338. As passed by the Senate Budget Committee last week, S. Con. Res. 18 had assumed that Medicaid would be cut by about \$14 billion pursuant to reconciliation instructions that the Finance Committee, which has jurisdiction over Medicaid, cut mandatory spending by \$15 billion.

The Senate, which currently is debating numerous floor amendments to its budget resolution, is expected to pass it before recessing tomorrow for its two-week Spring recess. After Congress reconvenes on April 4th, it must reconcile differences between the Senate and House versions of the FFY 2006 budget resolution. Today, the House passed its version of the budget resolution (H. Con. Res. 95) on a 218 to 214 vote without a single Democratic "aye" vote. H. Con. Res. 95 has reconciliation instructions to cut mandatory spending by \$68.7 billion over five years, including \$20 billion in cuts from the Energy and Commerce Committee, which has jurisdiction over Medicaid, and \$18.7 billion from the Ways and Means Committee, which has jurisdiction over low-income entitlement programs, such as Temporary Assistance for Needy Families, foster care, and child support enforcement.

Under Congressional budget rules, the deadline for adopting the FFY 2006 budget resolution is April 15th, but that deadline is rarely met. In fact, last year the Senate and House were unable to reach agreement on a budget resolution. It is noteworthy that the risk of Medicaid cuts, such as those proposed by the President, being enacted this year would be low unless a final budget resolution is approved that includes budget reconciliation instructions for the Senate Finance Committee to cut mandatory spending. This is because, except for a budget reconciliation bill, any legislation that would cut Medicaid can be blocked on the Senate floor using a filibuster, which would take 60 votes to overcome.

BASE REALIGNMENT AND CLOSURE (BRAC) COMMISSION

On March 15, 2005, President Bush announced the membership of the BRAC Commission, which will recommend which U.S. military bases will be closed. The members are:

Anthony Principi (Chair), a former Secretary of Veterans Affairs (California)
James H. Bilbray, a former Member of Congress (Nevada)
Philip Coyle, a former Assistant Secretary of Defense (Los Angeles)
Harold W. Gehman, a former NATO Supreme Allied Commander (Virginia)
James V. Hansen, a former Member of Congress (Utah)
James T. Hill, a retired Army General (Florida)
Claude M. Kicklighter, a retired Army Lieutenant General (Georgia)
Samuel Knox Skinner, a former Secretary of Transportation (Illinois)
Sue Ellen Turner, a retired Air Force Brigadier General, (Texas)

The nine-person BRAC Commission will submit recommendations to the President, who will decide whether to accept its recommendations or to reject them and seek a new list. After President Bush accepts the Commission's recommendations, they become final within 45 legislative days unless Congress passes a joint resolution of disapproval. Below is a timeline with key dates in the base closure process:

March 15:	Deadline for the President to name members of the fifth BRAC Commission.
May 16:	Deadline for the Secretary of Defense to give the BRAC Commission and Congress the Pentagon's recommendations for military facilities that should be closed.
September 8:	Deadline for the BRAC commission to submit its base closure recommendations to the President.

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September 23: Deadline for a Presidential decision on whether to accept or reject the BRAC recommendations in their entirety. If Bush accepts them, they become final within 45 legislative days unless Congress passes a joint resolution to block the entire package.

October 20: If Bush rejects the BRAC recommendations, the Commission has until this date to submit a revised list of proposed closures.

November 7: Deadline for the President to approve or disapprove the revised recommendations.

April 15, 2006: The Commission terminates.

We will continue to keep you advised.

DEJ:GK
MAL:MT:hg

c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist